



June 07, 2022 – Tuesday

Key Developments

Reserve Bank of India comes out with provisioning norms for large NBFCs

Reserve Bank of India (RBI) on Monday came out with a set of norms for provisioning for standard assets by large Non-Banking Financial Companies (NBFCs) in view of the increasing role played by such entities in the financial system. In October last year, RBI had issued a framework for scale-based regulation for NBFCs. Regulatory structure for NBFCs comprise four layers based on their size, activity, and perceived riskiness. In a circular on Monday, the central bank specified rates of provision for outstanding loans extended by 'NBFC-Upper Layer'. In case of individual housing loans and loans to Small and Micro Enterprises (SMEs), the rate of provision has been specified at 0.25 per cent and for housing loans extended at teaser rates, it has been fixed at 2 per cent. The latter will decrease to 0.4 per cent after 1 year from the date on which the rates are raised.

<https://www.financialexpress.com/industry/banking-finance/reserve-bank-of-india-comes-out-with-provisioning-norms-for-large-nbfc/2550495/>

Economy

India's economic growth to be supported by fiscal spending, says Nirmala Sitharaman

Finance minister Nirmala Sitharaman on Monday said that the country's growth will be driven by fiscal spending. Participating virtually in the second BRICS Finance Ministers and Central Bank Governors (FMCBG) meeting under the China chairmanship, Sitharaman said BRICS should continue to serve as a platform to engage in dialogues and facilitate exchange of experiences, concerns and ideas for rebuilding a sustainable and inclusive growth trajectory. Speaking on India's growth outlook, she said the economic growth will continue to be supported by fiscal spending along with an investment push, imparting momentum to the economy based on the idea of growth at macro level complemented by all-inclusive welfare at micro level. The government has proposed to significantly step up the public investment by raising capital expenditure by 35.4 per cent to Rs 7.5 lakh crore or 2.9 per cent of the GDP in the current financial year.

<https://www.financialexpress.com/economy/indias-economic-growth-to-be-supported-by-fiscal-spending-says-nirmala-sitharaman/2550610/>

Banking and Finance

First set of NPAs likely to be transferred to bad bank next month: Finance Ministry

The finance ministry on Monday said the Rs 6,000-crore National Asset Reconstruction Company (NARCL) or bad bank is expected to take over the first set of non-performing accounts of banks next month. NARCL is a special purpose asset reconstruction company for taking over the large value NPA accounts (above Rs 500 crore) from banks. In a series of tweets, the ministry said finance minister Nirmala Sitharaman on Monday reviewed the progress in setting up the NARCL. The minister was apprised of the progress achieved and took note of the approvals/permissions received for both NARCL and IDRCL from the government and regulators.

<https://economictimes.indiatimes.com/news/economy/policy/first-set-of-npas-likely-to-be-transferred-to-bad-bank-next-month-finance-ministry/articleshow/92044179.cms>

Banks see pick-up in capex loans

With an uptick in demand for project finance from late last year, bankers believe need for long-term funds should rise by anywhere between 12-15% this year. Bank credit deployed in the infrastructure segment rose 10.2% year-on-year in April 2022, with roads, telecommunications and power leading the pack. The outstanding credit to this space, towards the end of March was Rs 12 trillion, according to Reserve Bank of India (RBI). Consequently, banks are now gearing up to meet demand for infrastructure projects in FY23, which they expect will be an even better year for the segment. Much of the demand in the infra segment is coming from large conglomerates in segments like roads, ports, airports, renewable energy, data centres and gas pipelines.

<https://www.financialexpress.com/industry/banking-finance/banks-see-pick-up-in-capex-loans/2549478/>

FinMin releases third instalment of revenue deficit grant of Rs 7,183 crore to 14 states

The finance ministry on Monday released the third monthly instalment of revenue deficit grant of Rs 7,183 crore to 14 states. The Fifteenth Finance Commission has recommended a total Post Devolution Revenue Deficit Grant of Rs 86,201 crore to 14 states for the financial year 2022-23. This is to be released in 12 equated monthly instalments. The states receiving this grant are Andhra Pradesh, Assam, Himachal Pradesh, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttarakhand and West Bengal. "The Department of Expenditure has on Monday released the 3rd monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of Rs.7,183.42 crore to 14 States," the ministry said in a statement.

<https://www.financialexpress.com/economy/finmin-releases-third-instalment-of-revenue-deficit-grant-of-rs-7183-crore-to-14-states/2550427/>

Borrowing curbs eased for high-debt states

The Centre has decided to lift a virtual freeze on fresh market borrowings by states with large off-Budget liabilities. It will, however, strike off at least 25 basis points (bps) from the net base borrowing ceiling (NBC) of 3.5% of gross state domestic product (GSDP) of these states in FY23. The off-Budget liabilities will be counted only from FY22 onwards. The balance debt, so estimated, will be brought above the line over the three years to FY26 in equal tranches. In an earlier directive to states, the Centre had said their entire off-Budget liabilities of FY21 and FY22 will be adjusted against the NBC for FY23. If implemented, this policy would have severely restricted the plans of some states like Telangana, Punjab and Kerala to raise funds through state development loans (SDLs) in the current financial year and thereby their capital expenditures. The Centre's stance has already led to some delay in approvals of annual SDL limits of states, which are usually in place in April in any financial year.

<https://www.financialexpress.com/economy/borrowing-curbs-eased-for-high-debt-states/2549354/>

Industry

Automobile retail sales in slow lane in May: FADA

Retail sales of automobiles trebled last month, in line with wholesale dispatches, albeit on a low base as operations stood disrupted due to the outbreak of the second wave of the pandemic in May 2021. According to data available with vehicle retailers body Federation of Automobile Dealers Association (FADA) as many as 1,646,773 vehicles were retailed last month, compared to 536,795 units in the same period last year. Sales, however, were lower by around 10% when compared with the pre-covid month of May 2019. FADA President Vinkesh Gulati informed registrations went up across categories last month, on a low base as retail sales in May 2020 and May 2021 were low on account of the first and the second wave of the pandemic. "Indian auto industry during May 2022 continued its flattish run for the third consecutive month. While YoY comparison with May 2021 shows exceptionally healthy growth rate across all categories, it is important to note that both May 2021 and May 2020 were affected by the nationwide lockdown due to covid. Hence a better comparison will be with May 2019 which was a normal pre-covid month."

<https://economictimes.indiatimes.com/industry/auto/auto-news/automobile-retail-sales-in-slow-lane-in-may-fada/articleshow/92032231.cms>

Gold average purchase value dips, sales volume strong

Accelerating inflation is keeping India's demand for gold strong, as it is seen as a good hedge against rising prices. Average purchase value has fallen, sales volume remained healthy because more consumers are buying gold, said

jewellers. "Though ticket size has fallen by 5-6%, sales remain robust ... People started buying gold as a hedge against inflation," said Joy Alukkas, chairman of Joyalukkas group. Traders said even RBI has nearly doubled its gold purchase to 65 tonnes in FY22 - raising its total holding to 760.42 tonnes - as part of its asset diversification policy, with gold showing better performance as a safe asset class amid the recent global financial turmoil. Gold imports rose to \$5.82 billion last month, from \$677 million a year earlier, to be absorbed in the domestic market as well as used for exports as jewellery.

<https://economictimes.indiatimes.com/industry/cons-products/fashion/-/cosmetics/-/jewellery/gold-average-purchase-value-dips-sales-volume-strong/articleshow/92026972.cms>

India Inc's wage bill rises, interest costs fall

Input inflation and a sharp rise in employee expenses notwithstanding, India Inc turned in a strong performance in FY22. While the low base of FY21 did help prop up the numbers, companies clearly responded to the demand from clients and customers. Employee costs jumped 12.7%, the biggest increase in eight years. Much of this was driven by hiring in the IT, BFSI and healthcare spaces. At the same time, the interest bill fell by about 3.6% on the back of a reduction of 7.6% in FY21. This was not surprising because corporate India has been de-leveraging over the past several years and interest rates too have been at multi-year lows. With production not having been ramped up to full capacity until later in the year, working capital requirements, too, were lower. Some companies also accessed the overseas markets where interest rates were softer. Revenues, for a universe of 3,367 companies, went up by 29% to Rs 107.05 trillion but this came on the back of a contraction of 2.4% in FY21. Net sales were boosted by the topline of metals and oil companies, though a fair share of companies in other sectors, reported double digit sales growth. Operating profit margins for the universe came off only slightly by 40 basis points to 19.5%, indicating that companies had pricing power and were able to pass on much of the additional costs to their customers.

<https://www.financialexpress.com/industry/india-incs-wage-bill-rises-interest-costs-fall/2549365/>

Sluggish steel demand, poor buyer response drags down iron ore prices by 20% in India

Sluggish steel demand in the country, a reduction in prices by Indian mills and an increase in stocks – following steep export duty imposition – saw iron ore prices tumble across auctions in Odisha by nearly 20 per cent, while NMDC, the country's largest miner, reduced prices by nearly 25 per cent in a two-week-odd period. The fall in domestic prices happened even as global iron ore prices rose by nearly 6 per cent to \$143 per tonne on strong global cues, especially Shanghai's opening up after a withdrawal of stringent Covid-induced restrictions.

<https://www.thehindubusinessline.com/companies/sluggish-steel-demand-poor-buyer-response-drags-down-iron-ore-prices-by-20-in-india/article65500653.ece>

Agriculture

IMD to offer area-specific weather forecasts to farmers free of cost

The India Meteorological Department (IMD) is working on a plan to provide localised medium-range weather forecasts in regional languages through short message service (SMS) to farmers on request and for free. By dialling a dedicated number, farmers from anywhere in the country can request for weather information such as rains, temperature, humidity and wind speed for the next five days for their village or block. The requests made by the farmers would be processed by a dedicated team in IMD and information would be given to them in respective regional language through SMS. According to M Ravichandran, secretary, ministry of earth sciences, customised information on weather events at the regional level on request would help farmers to plan their agricultural activities such as use of fertilisers and other inputs, irrigation etc. Citizens can also request for information about their local weather forecasts using the common phone number.

<https://www.financialexpress.com/economy/imd-to-offer-area-specific-weather-forecasts-to-farmers-free-of-cost/2549559/>

Govt likely to hike MSP by 5-20% for summer crops

The government may announce higher-than-usual increases in minimum support prices (MSP) for the summer-sown crops in 2022-23 year soon, taking into consideration a sharp rise in costs of farming inputs. The MSP increases this year could roughly be in the range of 5-20%, the highest since 2018-19 when a new policy of 50% profits over computed cost of production led to MSP hikes for kharif crops in the range of 4.1-28.1%. According to sources, the

sharpest MSP hikes this year have been recommended by the Commission of Agriculture Costs and Prices for oilseeds like soyabean and groundnut. Among pulses, tur and moong may also see steep hikes in support prices, as the imports of these items rose last year amid a domestic supply crunch. The government also reckons that higher domestic production of other oilseeds will help reduce palm oil imports. While elevated MSPs, backed by procurement, could potentially boost rural income and purchasing power, these can also increase inflationary pressures further. Wholesale inflation in April rose to 15.08%, highest in at least 17 years.

<https://www.financialexpress.com/economy/govt-likely-to-hike-msp-by-5-20-for-summer-crops/2549395/>

Fertiliser prices likely to come down as India secures supplies till Dec

India has tied up adequate supplies of urea and di-ammonia phosphate (DAP) till December 2022 to meet its kharif and rabi demand this year in a move that might check prices in the months ahead both in the domestic and international markets, a senior government official said. India is among the world's largest buyer of fertilisers, after China, Brazil and the US, and any spike or drop in the demand has a direct bearing on world prices. If prices of urea and DAP soften going forward, then it could temper the need for further injection of funds for fertiliser subsidy by the Centre beyond the Rs 2-2.5 trillion estimated for FY23. The Rs 1.05 trillion budget estimate for fertiliser subsidy in FY23 has already been overshoot due to a spike in global prices of both finished fertilisers and key raw materials such as natural gas due to the ongoing Russia-Ukraine crisis.

https://www.business-standard.com/article/economy-policy/fertiliser-prices-likely-to-come-down-as-india-secures-supplies-till-dec-122060600928_1.html

Infrastructure

Government mulls index to gauge logistics costs

As it works out a national logistics policy, the commerce & industry ministry is weighing a proposal to roll out an index to gauge the country's logistics costs. The move assumes significance, as there has been no official estimate of logistics costs in India, and one of the key objectives of the new policy is to bring down such costs, which have long been blamed for eroding the country's export competitiveness. "We are actively considering working out a framework for the assessment of logistics costs and also the possibility of having an index, which can help us in the determination of and/or monitoring of logistics costs at any point of time," a senior official told FE. Some private agencies have pegged India's logistics costs at 13-14% of its gross domestic product (GDP). But some experts have raised questions over the methodology used by the private parties to arrive at such costs, given the fragmented nature and the complex dynamics of the logistics sector, and opaque pricing models adopted by relevant players. However, for these very reasons, estimating the actual logistics costs will warrant an elaborate exercise. The new policy will likely set an ambitious target of reducing the costs by up to five percentage points over the next five years. Encouraged by the Centre and acknowledging the growing importance of keeping logistics costs at reasonable levels, eight states have adopted their own logistics policies. These states are Gujarat, Uttar Pradesh, Haryana, Assam, Telangana, Kerala, Bihar and Chhattisgarh, official sources said. More states are following suit.

<https://www.financialexpress.com/economy/government-mulls-index-to-gauge-logistics-costs/2549592/>

Indian Railways hopes to achieve target of running Mumbai-Ahmedabad Bullet Train in 2026: Ashwini Vaishnaw

Railway Minister Ashwini Vaishnaw said that his ministry is confident of achieving the target of running India's first bullet train between Surat and Bilimora in the state of Gujarat in 2026 as good progress has been made in this direction. The Railway Minister was in the city of Surat to inspect the progress of the project. Vaishnaw was quoted in a PTI report saying that, there has been good progress in the construction of infrastructure for the Ahmedabad-Mumbai Bullet Train, and the work is being done at a high speed. The government is keeping the target of running the high speed train between Surat and Bilimora in the year 2026, he said. The ambitious Bullet Train project will run between the cities of Ahmedabad and Mumbai on a high speed rail corridor at 320 km per hour speed, covering a distance of 508 km and 12 stations. The project is expected to reduce the travel time between the two cities to around three hours from the current six hours duration. The Japan International Cooperation Agency is funding 81% of the project cost which is estimated at Rs 1.1 lakh crore. According to Vaishnaw, pillars for the project have been put up on 61 kilometres of the route and work is underway on nearly 150 kilometres of the stretch.

<https://www.financialexpress.com/infrastructure/railways/indian-railways-hopes-to-achieve-target-of-running-mumbai-ahmedabad-bullet-train-in-2026-ashwini-vaishnaw/2550179/>

Asset monetisation: NHAH sets 1,750-km target for 2022-23, may raise Rs 20,000 crore

The National Highways Authority of India (NHAH) has decided to monetise highway stretches with combined length of 1,750 km in 2022-23, a move which help it raise around Rs 20,000 crore. It has prepared an “indicative” list of road assets to be monetised in the current fiscal which includes 14 stretches with length between 6.49 km and 280 km in different parts of the country. Asset monetisation is central to NHAH’s plan to mitigate its debt burden, which stood at a worrisome Rs 3.5 trillion at the end of last financial year. Monestisation of operational assets will be through the toll-operate-transfer (TOT), infrastructure investment trusts (InvIT) and toll securitisation modes. Recently, the NHAH cancelled the bidding processes for two TOT bundles — sixth and eighth — as the highest bids did not match up to its expectations.

<https://www.financialexpress.com/infrastructure/asset-monetisation-nhai-sets-1750-km-target-for-2022-23-may-raise-rs-20000-crore/2549482/>

Energy

Commercial entities reduce electricity bills by renewable energy: Mercom

Commercial and industrial entities from various sectors, including steel and cement, have reduced their electricity expenses by using renewable energy, according to Mercom India. The 'C&I Clean Energy Meet 2022' held in Bengaluru witnessed participation from players operating in solar, IT, automobile, manufacturing, chemical, textiles and FMCG sectors, Mercom India said in a statement on Monday. Over 100 players joined the one-day event to discuss opportunities in the domestic renewable energy sector, available technologies, business models, financing mechanisms and regulatory guidance to set up green units.

https://www.business-standard.com/article/economy-policy/commercial-entities-reduce-electricity-bills-by-renewable-energy-mercom-122060600332_1.html

Power shortages likely to persist as thermal capacity lags power demand, says Bank of America Securities report

Power shortages are likely to continue in the short to medium term on rising demand in the peak season and the persisting supply-demand mismatch, according to a foreign brokerage report which attributed the recurring annual crisis to the slower thermal capacity addition in the past few years. Thermal capacity addition has lagged power demand that grew steadily at 4 per cent annually between FY10 and FY19 as against thermal capacity addition which rose only 9 per cent during this period. The capacity addition declined to just about 2 per cent between FY19 and FY22 when demand jumped 5 per cent. This demand-supply mismatch has been due to multiple stressed projects, focus on renewable, the report by Bank of America Securities said on Monday.

<https://www.financialexpress.com/economy/power-shortages-likely-to-persist-as-thermal-capacity-lags-power-demand-says-bank-of-america-securities-report/2550339/>

Telecom

Govt may send fresh reference to Trai to chalk out 28 GHz roadmap

The department of telecommunications (DoT) is likely to send a fresh reference to the sector regulator, asking for a comprehensive roadmap for 27.5-28.5 GHz (28 GHz band) or millimeter wave (mmWave) band spectrum, including views on whether to auction or allocate the band administratively to space broadband companies exclusively. The department had recently taken out the sale of the 28 GHz frequencies from the upcoming 5G auction. Telcos want the band auctioned while satcom companies say the band should be reserved for them and allocated without auction or administratively.

<https://economictimes.indiatimes.com/industry/telecom/telecom-policy/govt-may-send-fresh-reference-to-trai-to-chalk-out-28-ghz-roadmap/articleshow/92045700.cms>

Healthcare

Amid rise in COVID cases, ICMR issues guidelines for management of type 1 diabetes

Indian Council for Medical Research (ICMR) on Monday issued guidelines for the management of type 1 Diabetes. The guidelines are released by Prof. (Dr) Balram Bhargava, Secretary-DHR and DG-ICMR. The guidelines have mentioned about the burden of diabetes increased among the young population in India, type 1 diabetes is commonest in children and adolescents, and challenges exist in providing equitable treatment, Diabetic complications can be reduced with improved control measures and better management leads to improved quality of life. Dr Nikhil Tandon, Head of the department of endocrinology, AIIMS Delhi speaks to ANI and explained the major highlights of the guidelines about the Type 1 Diabetes affecting children and adolescents, management of the disease and complications.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/amid-rise-in-covid-cases-icmr-issues-guidelines-for-management-of-type-1-diabetes/articleshow/92039644.cms>

IISc scientists develop miniproteins that may prevent COVID infection

Researchers at the Indian Institute of Science (IISc) Bangalore have designed a new class of artificial peptides or miniproteins that they say can render viruses like SARS-CoV-2 inactive. According to the study, published in the journal Nature Chemical Biology, the miniproteins can not only block virus entry into our cells but also clump virus particles together, reducing their ability to infect. The researchers noted that a protein-protein interaction is often like that of a lock and a key. This interaction can be hampered by a lab-made miniprotein that mimics, competes with, and prevents the 'key' from binding to the 'lock', or vice versa, they said. The team used this approach to design miniproteins that can bind to, and block the spike protein on the surface of the SARS-CoV-2 virus, which helps it to enter and infect the human cells.

<https://www.financialexpress.com/lifestyle/health/iisc-scientists-develop-miniproteins-that-may-prevent-covid-infection/2550204/>

External

India's May palm oil imports surge to 7-month high despite Indonesia's ban

India's palm oil exports in May were its highest in seven months and up 15% on April as the country overcame curbs on Indonesian exports by sourcing more of the commodity from Malaysia, Thailand and Papua New Guinea, five industry officials said. Higher purchases by India, the world's biggest importer of vegetable oil, could support Malaysian palm oil prices, which are trading near a record high. India imported 660,000 tonnes of palm oil in May, up from 572,508 tonnes in April, according to the average estimate from five dealers. The Solvent Extractors' Association of India, a trade body based in Mumbai, is likely to publish May's import figure in mid-June. India's soyoil imports in May rose to 352,614 tonnes from 315,853 tonnes in April, said a senior government official, who declined to be named. The country's soyoil imports could rise sharply in coming months, because New Delhi has allowed duty free imports of 2 million tonnes of the commodity, said a Mumbai-based dealer with a global trading firm.

https://www.business-standard.com/article/economy-policy/india-s-may-palm-oil-imports-surge-to-7-month-high-despite-indonesia-s-ban-122060600356_1.html

India in talks to increase Russian oil imports from Rosneft: Report

India is looking to double down on its Russian oil imports with state-owned refiners eager to take more heavily-discounted supplies from Rosneft PJSC as international players turn down dealings with Moscow over its invasion of Ukraine. State processors are collectively working on finalising and securing new six-month supply contracts for Russian crude to India, said people with knowledge of the companies' procurement plans. Cargoes are being sought on a delivered basis from Rosneft, with the seller set to handle shipping and insurance matters, they said. These supply agreements, if concluded, will be separate and on top of shipments that India already buys from Russia via other deals. Details on volumes and pricing are still being negotiated with Indian banks set to fully finance all cargoes, said the people who asked not to be identified as discussions are confidential. Indian refiners will increasingly procuring directly from Russian companies such as Rosneft as top international traders such as Glencore Plc wind up their dealings, they added.

https://www.business-standard.com/article/economy-policy/india-in-talks-to-increase-russian-oil-imports-from-rosneft-report-122060600606_1.html

High commodity prices continue to weigh on trade deficit: Acuite

The expectation of the expansion of the current account deficit is not just driven by elevated global commodity prices, but is also linked to the unlocking of the economy reviving pent-up demand and improved vaccination cover aiding an organic recovery in the economy, ratings and research firm Acuite Ratings & Research said in a report. Nevertheless, there is considerable uncertainty in projecting trade and current account deficit due to high volatility in commodity prices, which in the current environment is taking cues from unpredictable geopolitical events. "Given, the relentless rise in commodity prices particularly crude oil which has again risen to \$120 per barrel, we project current account deficit (CAD) to widen to more than \$90 billion (in FY23) from an estimated \$47 billion in FY22," the report said. India's merchandise trade deficit widened to a record high level of \$23.3 billion in May 2022 from a deficit of \$20.1 billion in April, the report said citing the Ministry of Commerce and Industry's preliminary data.

https://www.business-standard.com/article/economy-policy/high-commodity-prices-continue-to-weigh-on-trade-deficit-acuite-122060600350_1.html

India's trade with Gulf Cooperation Council increasing at rapid pace

India's bilateral trade with all the six members of GCC (Gulf Cooperation Council) group countries, including the UAE and Saudi Arabia, has increased significantly in 2021-22 on account of increasing economic ties between the two regions. India's exports to the GCC have increased by 58.26 per cent to about USD 44 billion in 2021-22 against USD 27.8 billion in 2020-21, according to the data of the commerce ministry. The share of these six countries in India's total exports has risen to 10.4 per cent in 2021-22 from 9.51 per cent in 2020-21. Similarly, imports rose by 85.8 per cent to USD 110.73 billion compared to USD 59.6 billion in 2020-21, the data showed.

<https://www.financialexpress.com/economy/indias-trade-with-gulf-cooperation-council-increasing-at-rapid-pace/2550307/>

Philippines lowers duty for imports of Indian rice to check rice cartel plans

Vietnam has fired the first salvo against Thailand and Vietnam plans to set up a rice cartel by lowering the import duty on the Indian cereal from 50 per cent to 35 per cent. Reacting to the proposal of Thailand and Vietnam, the second and third largest rice exporters in the global market, Fermin Adriano, the under-secretary in the Department of Agriculture, said an executive order has been issued to lower the duty. Manila is considering India as an alternative source of the foodgrain if the South-East Asian nations raised prices and formed a rice cartel, he was quoted by local media.

<https://www.thehindubusinessline.com/economy/agri-business/philippines-lowers-duty-for-imports-of-indian-rice-to-check-rice-cartel-plans/article65499602.ece>

Panicked traders step up forward Indian rice purchases after wheat export ban: Sources

India's surprise ban on wheat exports has prompted rice traders to increase purchases and place unusual orders for longer-dated deliveries, fearing the world's top rice exporter may restrict those shipments as well, four exporters told Reuters. In the last two weeks, traders have signed contracts to export 1 million tonnes of rice for shipments from June through September and are opening letters of credit (LCs) quickly after signing deals to ensure the contracted quantity will be sent even if India restricts exports, the people said. Those forward purchases come on top of roughly 9.6 million tonnes of rice already shipped out of India this year – in line with record 2021 shipments – and may reduce the amount of grain available for other buyers during the coming months as loading schedules fill. "International traders pre-booked for the next three to four months and everybody opened LCs to ensure business continuity," said Himanshu Agarwal, executive director at Satyam Balajee, India's biggest rice exporter. Normally traders sign deals for the current and next month. Aggressive purchases from India could also reduce demand for rice from Vietnam and Thailand, the world's second and third-biggest exporters respectively, which are struggling to compete on price.

<https://www.financialexpress.com/economy/panicked-traders-step-up-forward-indian-rice-purchases-after-wheat-export-ban-sources/2549905/>